

BEFORE THE
PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2009-3-E

In the Matter of
Annual Review of Base Rates
for Fuel Costs for
Duke Energy Carolinas, LLC

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**SUPPLEMENTAL TESTIMONY OF
JANE L. McMANEUS**

1 **I. INTRODUCTION AND PURPOSE**

2 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND POSITION.**

3 A. My name is Jane L. McManeus. My business address is 526 South Church Street,
4 Charlotte, North Carolina. I am Director, Rates for Duke Energy Carolinas, LLC
5 ("Duke Energy Carolinas" or the "Company").

6 **Q. DID YOU PREVIOUSLY SUBMIT DIRECT TESTIMONY AND EXHIBITS**
7 **IN THIS PROCEEDING?**

8 A. Yes.

9 **Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL TESTIMONY?**

10 A. The purpose of my supplemental testimony is to present information supporting the
11 Settlement Agreement entered into by and among the Company, the Office of
12 Regulatory Staff ("ORS"), and the South Carolina Energy Users Committee
13 ("SCEUC"), dated August 20, 2009 (the "Settlement").

14 **II. THE SETTLEMENT**

15 **Q. WHAT ARE THE PRINCIPAL PROVISIONS OF THE SETTLEMENT?**

16 A. The principal terms of the Settlement are as follows: (i) acceptance of ORS Witness
17 Robert A. Lawyer's pre-filed direct testimony concerning adjustments to the
18 Company's over/under recovered fuel and environmental costs; and (ii) acceptance
19 of the base fuel factors, environmental factors, and combined projected fuel factors
20 by customer class.

21 **Q. DOES DUKE ENERGY CAROLINAS ACCEPT THE ACCOUNTING**
22 **ADJUSTMENTS RECOMMENDED BY ORS WITNESS ROBERT**
23 **LAWYER?**

1 A. Yes, as part of the Settlement, the Company accepts Mr. Lawyer's recommended
2 adjustments to the Company's over/under recovered base fuel and environmental
3 costs.

4 **III. EFFECT OF THE SETTLEMENT ON PROPOSED FUEL RATES**

5 **Q. WHAT IS THE NET EFFECT OF THE SETTLEMENT ON THE**
6 **COMPANY'S FUEL FACTORS?**

7 A. The Settlement reduces the fuel rate set forth in my pre-filed direct testimony and
8 exhibits, such that the combined projected fuel factors for the Company to charge for
9 the period beginning with the first billing cycle in October 2009 through the last
10 billing cycle of September 2010 by customer class are as follows:

Class of Service	SC Base Fuel Factor from McManeus Revised Exhibit 6 (¢/kWh)	SC Environmental Factor from McManeus Exhibits 7 (Revised) and 8 (¢/kWh)	Combined Projected SC Fuel Factor from McManeus Revised Exhibit 9 (¢/kWh)
Residential	1.9606	0.0047	1.9653
General/Lighting	1.9606	0.0058	1.9664
Industrial	1.9606	0.0038	1.9644

11
12 Exhibit Nos. 5, 6, 7 and 9 to my pre-filed direct testimony have been updated to
13 show the effect of the Settlement and are attached hereto as McManeus Revised
14 Exhibits 5, 6, 7 and 9.

15 **IV. CONCLUSION**

16 **Q. WHAT IS DUKE ENERGY CAROLINAS ASKING THE PUBLIC SERVICE**
17 **COMMISSION OF SOUTH CAROLINA ("COMMISSION") TO DO?**

18 A. Duke Energy Carolinas respectfully requests that the Commission approve the
19 Settlement as presented.

1 **Q. WERE McMANEUS REVISED EXHIBIT NOS. 5, 6, 7 AND 9 PREPARED**
2 **BY YOU OR UNDER YOUR SUPERVISION?**

3 A. Yes.

4 **Q. DOES THIS CONCLUDE YOUR SUPPLEMENTAL TESTIMONY?**

5 A. Yes, it does.

DUKE ENERGY CAROLINAS
SOUTH CAROLINA FUEL CLAUSE
2009 ANNUAL FUEL FILING - JULY 2009

ACTUAL AND ESTIMATED FUEL COSTS AND REVENUES FOR JUNE 2008 - SEPTEMBER 2009

\$000

Line No.	Item	<u>Actual June 2008</u>	<u>Actual July 2008</u>	<u>Actual Aug. 2008</u>	<u>Actual Sept. 2008</u>	<u>Actual Oct. 2008</u>	<u>Actual Nov. 2008</u>	<u>Actual Dec. 2008</u>	<u>Actual Jan. 2009</u>	<u>Actual Feb. 2009</u>	<u>Actual March 2009</u>	<u>Actual April 2009</u>	<u>Actual May 2009</u>	Estimate June 2009	Estimate July 2009	Estimate Aug. 2009	Estimate Sept. 2009
1	Fossil Fuel	\$171,248	\$131,703	\$139,592	\$122,314	\$107,300	\$122,139	\$109,816	\$135,289	\$ 92,747	\$ 95,398	\$ 71,461	\$ 81,511	\$111,016	\$132,749	\$152,007	\$166,332
2	Nuclear Fuel	15,448	16,725	16,827	15,191	13,347	12,713	17,092	18,460	16,639	17,970	17,964	15,052	17,506	18,107	18,107	14,535
3	Renewable Purch Pwr	0	0	0	0	0	0	0	0	0	0	0	0	183	183	183	183
4	Fuel In Purchases	43,239	25,748	14,468	10,770	17,175	25,781	9,381	5,392	8,793	4,196	7,657	10,847	18,901	20,070	15,274	17,188
5	Fuel In Intersystem Sales	<u>9,265</u>	<u>11,952</u>	<u>10,958</u>	<u>15,163</u>	<u>1,889</u>	<u>4,684</u>	<u>14,271</u>	<u>22,562</u>	<u>4,904</u>	<u>2,123</u>	<u>644</u>	<u>710</u>	<u>4,968</u>	<u>12,630</u>	<u>10,969</u>	<u>11,622</u>
6	Total Costs	\$220,670	\$162,224	\$159,929	\$133,112	\$135,933	\$155,949	\$122,018	\$136,579	\$113,275	\$115,441	\$ 96,438	\$106,700	\$ 142,637	\$158,478	\$174,601	\$186,615
7	MWH Sales	7,193,515	7,724,863	7,694,730	7,472,224	6,120,889	6,074,613	6,805,100	6,983,324	6,850,434	6,303,841	5,715,092	5,636,993	6,706,299	7,275,893	7,719,223	7,405,200
8	Fuel Cost ¢/KWH	3.0676	2.1000	2.0784	1.7814	2.2208	2.5672	1.7930	1.9558	1.6535	1.8313	1.6874	1.8929	2.1269	2.1781	2.2619	2.5201
9	¢/KWH Billed	1.7457	1.7457	1.7457	1.7457	2.2317	2.2317	2.2317	2.2317	2.2317	2.2317	2.2317	2.2317	2.2317	2.2317	2.2317	2.2317
10	SC Retail MWH Sales	1,897,043	2,028,039	2,035,741	1,990,377	1,584,631	1,592,476	1,769,078	1,694,883	1,741,562	1,557,118	1,434,985	1,424,373	1,800,428	1,915,141	2,037,537	1,967,114
11	\$ (Over) Under	\$25,077	\$7,185	\$6,773	\$711	(\$173)	\$5,343	(\$7,762)	(\$4,676)	(\$10,070)	(\$6,235)	(\$7,812)	(\$4,826)	(\$1,887)	(\$1,027)	\$615	\$5,673
12	Prior Period (Over)/Under	\$10,311															
13	Economic Purchase Adj. per Docket 2008-3-E				1,579												
14	PCL Giveback				(59,737)												
15	Cumulative (Over)/Under	\$35,388	\$42,573	\$49,346	(\$8,101)	(\$8,274)	(\$2,931)	(\$10,693)	(\$15,369)	(\$25,439)	(\$31,674)	(\$39,486)	(\$44,312)	(\$46,199)	(\$47,226)	(\$46,611)	(\$40,938)

DUKE ENERGY CAROLINAS
SOUTH CAROLINA FUEL CLAUSE
2009 ANNUAL FUEL FILING - JULY 2009

PROJECTED PERIOD FUEL COST FOR OCTOBER 2009 - SEPTEMBER 2010
\$000

Line No.	Item	Oct. 2009	Nov. 2009	Dec. 2009	Jan. 2010	Feb. 2010	March 2010	April 2010	May 2010	June 2010	July 2010	Aug. 2010	Sept. 2010	12 Month Total
1	Fossil Fuel	\$93,620	\$90,943	\$116,191	\$134,539	\$123,369	\$110,538	\$108,704	\$90,556	\$110,129	\$132,373	\$151,366	\$145,208	\$1,407,531
2	Nuclear Fuel	15,149	15,673	17,436	19,065	17,216	16,677	15,680	16,317	18,430	19,065	19,065	18,135	207,907
3	Solar Distribution Generatio	-	-	1	4	7	14	20	26	32	38	44	50	236
4	Renewable Purch Pwr	183	183	285	285	285	285	285	603	603	603	603	603	4,805
5	Fuel In Purchases	30,932	25,508	13,285	9,730	12,014	(2,515)	4,941	19,430	18,672	19,883	15,074	16,965	183,918
6	Fuel In Intersystem Sales	<u>2,331</u>	<u>4,736</u>	<u>16,301</u>	<u>27,404</u>	<u>5,775</u>	<u>2,346</u>	<u>743</u>	<u>1,071</u>	<u>4,956</u>	<u>12,627</u>	<u>10,957</u>	<u>11,595</u>	<u>100,842</u>
7	Total Fuel Costs	\$137,553	\$127,571	\$130,897	\$136,218	\$147,116	\$122,653	\$128,886	\$125,860	\$142,909	\$159,334	\$175,194	\$169,365	\$1,703,556
8	Total MWH Sales	6,020,769	5,902,307	6,524,657	6,936,244	6,692,919	6,046,281	5,925,231	5,860,888	6,690,160	7,274,452	7,710,607	7,387,701	78,972,217
9	Fuel Costs Incurred ¢/kwh	2.2846	2.1614	2.0062	1.9639	2.1981	2.0286	2.1752	2.1475	2.1361	2.1903	2.2721	2.2925	2.1572
10	SC Retail MWH Sales	1,607,910	1,587,278	1,709,383	1,787,499	1,756,108	1,573,641	1,586,646	1,576,242	1,779,165	1,897,468	2,018,252	1,948,230	20,827,823
11	SC Fuel Costs	\$36,734	\$34,307	\$34,294	\$35,105	\$38,601	\$31,923	\$34,513	\$33,850	\$38,005	\$41,560	\$45,857	\$44,663	\$449,298
12	(Over)/Under on Exhibit 5													(\$40,938)
13	SC Fuel Costs													\$408,360
14	SC Fuel Cost ¢/kwh													1.9606

\$000

REVISÉD McManeaus Exhibit 7

DUKE ENERGY CAROLINAS
SOUTH CAROLINA FUEL CLAUSE
2009 ANNUAL FUEL FILING - JULY 2009

PROJECTED PERIOD FUEL FACTORS BY CUSTOMER CLASS

Line No.	Summary ¢/KWH	SC Base Fuel Factor from Revised Exhibit 6	SC Environmental Factor from Revised Exhibits 7 and 8	Combined Projected Fuel Factor
1	Residential	1.9606	0.0047	1.9653
2	General/Lighting	1.9606	0.0058	1.9664
3	Industrial	1.9606	0.0038	1.9644